

NEW SOUTH WALES.

BUSINESS STATISTICS - 25th OCTOBER, 1940.

Growing strength of the war effort is reflected in record and rising levels of employment and industrial activity, stable trading conditions and a favourable trend in small savings. In the first year of war bank deposits increased, advances declined and the bank credit situation strengthened materially.

Building remains active though non-residential building has decreased. The rural outlook still causes anxiety though recent showers have checked deterioration over large sections of the State.

C O N T E N T S.

PART

I. SEASON: Showers in north-east. Rain needed generally.EXPORT PRICES AND
EXTERNAL CONDITIONS.

Export prices steady. Increased egg exports. Conditions in U.K.: War expenditure rising. Financial conditions strong. Conditions in U.S.A.: Industrial activity increasing. External trade.

CURRENCY RELATION-
SHIPS:-

Open market quotation of sterling steady in New York.

WOOL: Arrivals in Sydney. Progress of appraisements. Prices of tops in Bradford.

WHEAT: Area sown in N.S.W. 1940-41. European crop reports. Greek purchases. Futures firmer in Chicago. Aust. parcels cheaper in London. Local market quiet. Wheat prices unchanged. Flour tax increased.

BUTTER: Butter production low for time of year.

METALS: Tin and silver steady in London. Export parity prices of Aust. metals - August, 1940.

II BANKING: Private business in private trading banks in N.S.W. - September quarter, 1940.

SAVINGS BANKS: Deposits and Open Accounts at Sept. 30, 1940. War Savings Certificates.

WHOLESALE TRADE: Employment - Sept., 1940. Sales - ^{Aug.}Sept. and Jan.-^{Aug.}Sept., 1940.

RETAIL TRADE: Employment - September, 1940.
City Shops - Activity in August and June-Aug., 1940.

III EMPLOYMENT: Persons employed in N.S.W. - mid-September, 1940.

MANUFACTURING
INDUSTRIES: Employment, N.S.W. - mid-September, 1940.
42 Large Factories - Sales, etc., August and Jan.-Aug. 1940

BUILDING PERMITS: Value and No. Dwellings - Sept. and Jan.-Sept., 1940.
Metropolis:

MOTOR VEHICLES: New Vehicle Sales - September, 1940.
Total Registrations at 30th September, 1940.

COAL, N.S.W.: Employment in Collieries - September, 1940.
Coal hauled by Rail - Sept. and Jan.-Sept., 1940.

GAS & ELECTRICITY: Index of consumption (Sydney) - September, 1940.

WIRELESS LICENSES: Licenses in force in N.S.W. at 30th September, 1940.

PART I. PRIMARY AND EXPORT INDUSTRIES.

SEASON. Useful rain fell in northeastern districts over the week end but throughout the State as a whole soaking rains are urgently needed. Coastal and tableland maize prospects have improved and fruit production will benefit from recent showers. Mostly, pastures are failing or poor in inland districts and mortality of lambs has been high in the drier parts of the State.

EXPORT PRICES AND
EXTERNAL TRADE
CONDITIONS.

Except that continued dry weather prejudices future production prospects, the Australian export outlook has undergone little change over the past fortnight. Export prices are steady with the index number (in Aust. currency) at 82 per cent. of the 1927 average and nearly 25 per cent. higher than in the year ended June, 1939.

It has now been arranged that the shipment of eggs from Australia to the U.K. will continue in Jan and Feb., 1941. Anticipated exports of eggs for this season are -

572,000 cases valued at £1,118,000 compared with
412,000 " " " £805,000 originally proposed
and 339,000 " " " £600,000 exported to U.K. last season.

Shipping losses have moderated. British rayon exports in August, 1940 were 55 per cent. above the value in August, 1939. Britain's expenditure in 1940-41 may be about £3,600 m.. War expenditure is now £64 m. a week compared with £55m. a week prior to July last. In London industrial shares are firm and bonds are at the highest level since Sept., 1938. Bank deposits are at a record level.

Industrial activity is rising steadily in the United States; steel production at 94.4 per cent. of capacity is its greatest since 1929. The New York stock market is very firm. U.S. external trade increased as to exports by 37 per cent. in the first year of the war and the export balance (\$1,391m.) was the largest since 1921. The U.K. absorbed 61.8 per cent. of U.S. exports in July, 1940.

External developments which may produce economic repercussions for Australia include reopening of the Burma Road, Japanese trade talks in the Netherlands East Indies, the German threat of complete domination in the Balkan countries, United States' registration under the Conscription Act and preparation for training of 900,000 men, and the Delhi Conference, meeting to-day, to consider production and supply problems of the Empire east of Suez.

CURRENCYRELATIONSHIPS.

The rate of exchange, dollars for sterling, in the open market in New York has continued at approximate parity with the official pegged British rate in London (\$4.03 to £stg.). The price of gold in London, which was fixed at £8.8s. per oz. fine (buying price of the Bank of England) on Sept. 5, 1939, has been unchanged since that date. The course of open market quotations of sterling in New York was as under:-

	Aug., 1939	Feb., 1940	Apr., 1940	May, 1940	July, 1940	Sept., 1940
Monthly Average: \$ to £stg.	4.61	3.96	3.53	3.28	3.81	4.04

WOOL. The quantity of wool received in Sydney from July 1 to October 17, 1940 was 716,089 bales compared with 730,789 bales in the corresponding period of last season. On Oct. 10, 1940 the Wool Board disclosed that 604,418 bales of wool had been appraised in Australia since appraisements began on August 8, 1940, and the average appraised prices per lb., greasy were 11.67d. for the Commonwealth and 11.54d. in N.S.W. Although wool of the 1940-41 clip is inferior in quality to that of last season, the average price per lb. at which it is acquired by the British Government remains the same (13.4375d. Aust) and the difference between the lower appraisement value and the agreed price will be covered by the end-of-season equalisation payment.

The new home issue prices fixed by the British Wool Control last month are to apply until Feb. 28, 1941. The value of raw wool in Australia is about 30 per cent. above the average in 1938-39. Prices of wool tops in Bradford have risen about 70 per cent. above the level in July, 1939. To higher raw material costs have been

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PART I. (Continued.)

added higher costs of ocean transport, of marine and storage insurance and of manufacture. Examples showing the movements in tops prices are as follows:-

British Wool Control Rates for Tops for Home Trade.

	July, 1939	Nov., 1939	March, 1940	Oct., 1940
70's. Merino per lb.	27d.	31 ³ / ₄ d.	43 ¹ / ₄ d.	45 ³ / ₄ d.
64's. merino "	26d.	30 ¹ / ₂ d.	41 ¹ / ₄ d.	43 ³ / ₄ d.
50's. medium crossbred "	19 ¹ / ₂ d.	23 ¹ / ₂ d.	31 ¹ / ₄ d.	33 ¹ / ₄ d.

WHEAT. Returns collected from farmers at or shortly after time of sowing show that the area sown with wheat in 1940-41 (4,678,600 acres) was approximately the same as in 1939-40 (4,694,200 acres). Generally seasonal conditions remain unfavourable for wheat. A greatly reduced harvest is now certain, but its size will vary according to whether or not much needed rain falls in the next few weeks.

A further conference of Commonwealth and States' representatives to discuss the wheat industry is meeting in Melbourne to-day.

The 1940 European wheat crop is believed by U.S. Dept. of Agriculture to be 20 per cent. below that of last year (approx. 1,725 m. bus.). The Vichy Government has announced that France had the poorest harvest of this century. A message from Athens states that 200,000 tons of wheat are being purchased, half from Russia and half from Australia. If true, this will absorb about 3³/₄m. bus. of Australian wheat.

In Chicago futures quotations have shown an upward trend over the past two months. On Oct. 22 Dec. options at 87 cents a bus. were 4¹/₂ cents a bus. higher than at the beginning of the month. Winnipeg quotations, however, were only fractionally above the fixed minima determined on Sept. 18. Australian parcels on the London Baltic Exchange are 1s. 3d. a quarter (about 2d. a bus.) lower than at the end of Sept., 1940.

The local wheat market is quiet. Occasional sales of flour for export have been made by millers, but home consumption requirements provide most of the business offering. The Wheat Board's quotations for wheat (unchanged) are 4s. 2¹/₄d. for bagged wheat and 3s. 11¹/₄d. for silo wheat for local consumption and small export orders, per bus., f.o.r., Sydney. The rate of tax on flour was increased by 6s. to £2.8.10 a ton from Oct. 22, 1940. On Oct. 24 the price of flour, including tax, was unchanged at £12.10s. a ton.

PRICES OF WHEAT IN NEW SOUTH WALES.

BULK WHEAT.	Seasons ended November.			September.		October 24, 1940.
	1931-35	1937	1939	1939	1940	
	Shillings and pence per bushel.					
Ex trucks, Sydney	2 9 ¹ / ₂	5 3	2 5	2 9	3 11 ¹ / ₄ (b)	3 11 ¹ / ₄ (b)
Equiv. ex farm at country siding (a)	2 2 ¹ / ₂	4 8	1 9 ¹ / ₂	2 1 ¹ / ₂	(c)	(c)

(a) Exclusive of bounty. (b) Board's price for sale for local consumption.
(c) Advances made give growers about 2s. 5d. (net) a bushel. Further payments depend upon realisations for the whole 1939-40 crop.

BUTTER. Returning dry conditions were affecting butter production on the North Coast, but were relieved by rain on Sunday and Monday last. All principal dairying districts have had rains recently, but generous following falls are needed to fully assure a satisfactory season. Production has increased sufficiently to supply local demand but is below that of a year ago.

The wholesale price of butter in the three Eastern States is unchanged at 158s.8d. a cwt.

PART I. (Continued.)

METALS. In London open market quotations for tin and silver were without much change during the past fortnight. Prices on Oct. 22, 1940, £257 7s. 6d. a ton for tin, and 1s 11½d. an oz. for silver were a little above the average prices during Sept., 1940, and compared with averages of £229.18s. 9d. a ton and 1s 5.7d. an oz. in August, 1939. The fixed maximum prices of the British Ministry of Supply for copper, lead and spelter were unchanged.

The export parities of prices received for metals exported by Australian producers are shown comparatively below. As there is practically no export of copper, that metal is excluded. Prices generally are moderately above those secured prior to the war.

AVERAGE PRICES OF METALS (EXPORT PARITIES, f.o.b.)- AUSTRALIA.

	<u>Silver</u> (Standard) Oz.	<u>Lead</u> Ton	<u>Spelter</u> Ton	<u>Tin</u> (Standard) Ton	<u>Gold</u> (Fine) Oz.
	s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Aver., 1937	2 1.0	27 9 3	29 1 6	222 16 5	8 15 1
1938	2 0.1	17 12 11	19 12 10	228 11 10	8 17 1
1939	2 1.4	17 12 1	19 15 3	268 3 6	9 14 4
" July, 1939	1 9.1	16 19 1	19 14 6	273 3 3	9 4 11
" Jan., 1940	2 2.2	19 7 7	21 6 9	276 8 9	10 12 9
" June, "	2 3.2	18 11 9	24 5 8	316 10 1	10 13 0
" July, "	2 2.6	18 10 2	24 5 8	301 3 5	10 11 0
" August, "	2 3.9	18 16 5	21 7 9	298 10 1	10 12 6

/PART II.....

BANKING. N.S.W. After a year of warfare the banking situation in Australia is stronger than in any recent year. A year ago a condition of stringency was in process of being relieved by earlier judicious expansion of credit by the Commonwealth Bank. Disposal to the British Government of a record wool clip at higher prices, higher receipts by wheat farmers (through pool advances financed by the Commonwealth Bank) and a general rise in export income, together with the heavy and expanding scale of war expenditure, has caused deposits to increase, advances to decline, and a material improvement in the cash position of the trading banks. In nine trading banks in Australia the ratio of advances to deposits was 82.7 per cent. in August, 1940 compared with 93.4 per cent. in August, 1939, and the ratio of cash and Treasury bills to deposits was 22.1 and 16.0 per cent., respectively.

These movements in deposits and advances are apparent in quarterly averages for private business in private trading banks in New South Wales. Between Sept. Qr., 1939 and 1940 deposits increased (almost entirely on current account) by £12.8 m. and advances were reduced by £4.9m., transforming an excess of advances over deposits of £9.6m. to an excess of deposits over advances of £8.1 m. The following table gives particulars of changes from year to year for Sept. Qr. over the past five years:-

Private Deposits and Advances - Private Trading Banks in N.S.W.

Changes in year ended Sept. Qr. (Increase +; Decrease -).

	<u>Fixed</u> <u>Deposits.</u>	<u>Current</u> <u>Deposits.</u>	<u>Total</u> <u>Deposits</u>	<u>Advances.</u>	<u>Excess of</u> <u>Deposits over</u> <u>Advances.</u>
	£m.	£m.	£m.	£m.	£m.
1935 to 1936	+ 0.2	- 0.5	- 0.3	+ 4.2	- 4.5
1936 to 1937	+ 5.0	+ 6.1	+11.1	+ 2.5	+ 8.6
1937 to 1938	+ 1.1	- 0.5	+ 0.6	+12.8	-12.2
1938 to 1939	+ 2.0	+ 2.7	+ 4.7	+ 3.3	+ 1.4
1939 to 1940	+ 0.5	+12.3	+12.8	- 4.9	+17.7

The reduction in advances is due partly to repayments made possible by the good export year of 1939-40 (recently drought conditions have occasioned a reversal of movement insofar as rural credit is concerned) but the checks imposed in the use of credit by the Commonwealth Treasurer with the advice of the Investment Advisory Board - to conserve financial resources for the national war effort and for essential civilian activities - probably have an important part in the results. Control of this type may be expected to become more rigorous as further expansion of enterprises for the prosecution of the war becomes possible only by contraction of production of all but the bare essentials of civilian life.

The situation in N.S.W. in this and preceding years is illustrated as under:-

PRIVATE BUSINESS IN PRIVATE TRADING BANKS IN NEW SOUTH WALES (a).
(Aggregate Quarterly Averages).

Quarter ended -	Deposits			Advances	Excess of Deposits over Advances.
	Fixed	Current	Total		
	£m.	£m.	£m.	£m.	£m.
Sept., 1929	63.4	43.4	106.8	107.9	(-) 1.1
" 1931	60.7	33.4	94.1	95.0	(-) 0.9
" 1937	61.5	47.8	109.3	108.1	1.2
" 1938	62.6	47.3	109.8	120.8	(-) 11.0
June, 1939	64.6	51.4	116.0	122.2	(-) 6.2
Sept., "	64.6	50.0	114.6	124.2	(-) 9.6
June, 1940	66.3	60.4	126.7	117.9	8.8
Sept., "	65.0	62.3	127.3	119.2	8.1

- (a) Excluding Commonwealth and Rural Banks and excluding Government deposits and Government securities in private trading banks.
(-) Denotes excess of advances over deposits.

SAVINGS BANKS. In September, 1940 deposits in savings banks in N.S.W. exceeded withdrawals by £753,000. This was the greatest increase in September of post-depression years, contrasting with a decrease of £400,000 in Sept., 1939. As it followed upon increases of £24,000 in July and £936,000 in August, 1940 it seems clear that a favourable trend of small savings has been resumed. Recent monthly movements in savings deposits and in purchases of war savings certificates in N.S.W. were as follows:-

	<u>1940</u>	Mar.	Apr.	May.	June.	July.	Aug.	Sept.
		£000		Increase +		Decrease -		
Savings Deposits		-408	+297	-1,877	-4,608 ^a	+24	+939	+753
War Savings Cert. Ø		<u>+ 34</u>	<u>+ 97</u>	<u>+ 369</u>	<u>+1,944</u>	<u>+1,196</u>	<u>+455</u>	<u>(+300)</u>
Combined Movement		<u>-374</u>	<u>+394</u>	<u>-1,508</u>	<u>-2,664</u>	<u>+1,220</u>	<u>+1,394</u>	<u>+1,053</u>

(a) Excluding interest additions (£1,562,000).

Ø Amount received (80% of face value) from sales during the month.

The number of open savings accounts increased by 6,486 in Sept., 1940 and then numbered 11,727 more than in Sept., 1939. The confidence of small savers was a little shaken in May-June, 1940 but appears fully restored. Employment continues to increase, and higher earnings are increasing the capacity to save.

SAVINGS BANKS IN NEW SOUTH WALES.

	Depositors' Balances.		Increase in Deposits.		Open Savings Accounts	
	At 31st August	At 30th September.	In September	In year ended Sept.	At 31st August	At 30th September.
	£000	£000	£000	£000	000	000
1932	71,083	70,907	(-) 176	(-) 542	not available.	
1937	82,229	82,461	232	2,688	1,238	1,246
1938	86,310	86,436	126	3,975	1,306	1,312
1939	86,957	86,557	(-) 400	121	1,315	1,316
1940	83,074	83,827	753	(-) 2,730	1,321	1,327

Minus sign (-) denotes decrease.

WHOLESALE TRADE. Sales at wholesale in August, 1940 in N.S.W. (as recorded under the Sales Tax Acts) were £17.17 m. compared with £16.81 m. in August, 1939. In the eight months ended August, 1940 sales totalled £131.65 m. or 4.7 per cent. more than in the corresponding period of 1939.

There has been a larger turnover of non-taxable goods - particularly of war materials supplied to the Government - and marked decreases in certain directions - notably, new motor sales - while higher prices have contributed to the increase in the value of sales. The field of contraction may be expected to become wider as unnecessary consumption is curtailed.

As these returns include direct factory sales to Government orders, they do not indicate clearly the general trend in wholesale merchandising. The increase in sales at retail (see succeeding note) though appreciable, does not suggest undue consumer pressure. Particulars of employment with wholesale firms with ten or more employees show little change over the past three years. A small decrease from August to September, 1940 was contrary to the usual experience of those months.

WHOLESALE TRADE - NEW SOUTH WALES.

	Sales by Registered Traders.			Persons Employed by Wholesalers with Ten or more Employees.	
	Month of August.	Eight Months ended Aug.	Increase over Jan.-Aug. of Preceding Year.	August.	September.
	£ million	£ million	Per cent.	No.	No.
1932	10.22	79.22	(-) 0.1	June, 1933	17,638
1937	16.27	124.56	19.2	24,331	24,474
1938	15.28	125.90	1.1	25,320	25,515
1939	16.81	125.78	(-) 0.1	25,420	25,539
1940	17.17	131.65	4.7	25,924	25,871

Minus sign (-) denotes decrease.

RETAIL TRADE. Trading conditions appear very stable. Official control of prices has engendered confidence and consumers are buying normally. Higher prices of imported goods were inevitable, but retail prices as a whole are less than 5 per cent. above those of a year ago.

The number of persons employed in 550 retail establishments with ten or more employees (which is the most satisfactory indication of trends in retail trade) shows that while retailers in the city have increased staff, fewer employees were working in shops elsewhere in the State than in the first month of the war. From August to September there were decreases of 346 in 1940, 77 in 1939 and 334 in 1938, and employment in these shops remains much the same as one and two years ago:-

EMPLOYMENT IN RETAIL TRADE - NEW SOUTH WALES.

Middle week of September.	Sydney.		Newcastle District.	Country Towns	Total - N.S.W.	
	City	Suburbs			Number	Increase in year ended Sept.
Persons employed by firms with 10 or more employees Number.						
1936	33,350	3,835	2,253	8,160	47,598	Not available.
1937	34,888	4,062	2,341	8,563	49,854	2,256
1938	35,801	4,013	2,450	8,725	50,989	1,135
1939	36,121	4,044	2,534	8,477	51,176	187
1940	36,538	4,017	2,485	8,342	51,382	206

TRADE IN CITY SHOPS. In 33 large city shops net sales in August, 1940 (5 Fridays) were 12.7 per cent. greater in value than in August, 1939 (4 Fridays). The money value of sales of all classes of goods except sports and travel goods and food and perishables was greater than a year earlier. Notable increases included piece goods (21.3%), men's and boys' wear (17.5%), hardware (15.7%), fancy goods (17.9%), women's wear (11.7%) and furniture etc. (11.5%). The value of stocks was 25.5 per cent. greater than in August, 1939.

Percentage increases compared with a year earlier have fluctuated considerably from month to month:-

1940. Jan. Feb. Mar. Apr. May. June. July. August.

Increase (%) in sales value from same month of 1939.

7.8 10.6 -7.6 14.4 7.0 - 2.1 11.2 12.7

In the three months ended August, 1940 sales were 7.3 per cent. greater than a year before. Taking into account the rise in prices, it is apparent that the volume of trade has undergone little change compared with the pre-war period.

In August, 1940 the average number of employees in these shops was 5.3 per cent. greater, and the amount of salaries and wages paid 2.2 per cent. greater than in August, 1939.

EMPLOYMENT. During the first year of the war employment increased strongly (saving the check due to the coal stoppage of March-May). In the middle week of September, 1940 the number of persons in employment in N.S.W. was greater than ever before, and 37,291 greater than in Sept. 1939. The number of adult males registered as unemployed decreased from 47,412 in Jan., 1940 to 34,273 in Sept., 1940.

Persons in Employment in N.S.W. - Thousands.

	<u>Sept.</u>	<u>Nov.</u>	<u>Jan.</u>	<u>Mar.</u>	<u>May.</u>	<u>July.</u>	<u>Aug.</u>	<u>Sept.</u>
1938 and 1939	840.5	841.4	820.4	834.1	836.2	833.3	831.8	838.4
1939 and 1940	838.4	856.9	851.4	865.7	837.1	865.1	872.0	875.7

In the year ended Sept., 1940 private employment increased by 32,701, largely owing to industrial expansion connected with the war effort (see succeeding note). Prosecution of the war is also the main factor behind the increasing number of Governmental employees, but the figures include over 2,500 public servants on active services. The course of employment over the past twelve months compares with that in recent years as follows:-

INCREASE IN PERSONS IN EMPLOYMENT IN N.S.W.

	Aug. to Sept.	June to Sept.	Jan. to Sept.	Year ended September.			
	All Employment.	Private.	Local Gov't.	Govern- mental.	All Employ- ment.		
1936	9,900	15,700	39,000	34,460	1,410	2,140	38,010
1937	8,900	17,300	50,300	42,220	7,360	10,500	60,080
1938	5,900	1,000	20,600	23,190	-3,300	2,900	22,790
1939	6,600	6,900	18,100	-4,180	- 950	3,100	-2,030
1940	3,700	19,300	24,400	32,700	-2,060	6,650	37,290

In each principal economic group, except mining and quarrying, employment was greater in Sept., 1940 than a year before. Percentage comparisons in the final columns of the appended table show that the rate of increase in factory employment has far outstripped that in any other class. The recent rapid development of war production was made possible by the substantial expansion of the heavy and associated industries in post-depression years. In a few industries activity has decreased, but while such experiences may multiply as additional resources are diverted to war production, employment as a whole is likely to increase progressively under the stimulus of mounting war expenditure.

EMPLOYMENT IN NEW SOUTH WALES.

(Excluding Relief Workers and Men in the Armed Forces not on Civil Paysheets)

Group.	Persons Employed in middle week of -						Increase Sept., 1940, over -	
	Sept. 1936	Sept. 1937	Sept. 1938	Sept. 1939	Aug., 1940	Sept. 1940	Sept. 1939	Sept. 1936
	000	000	000	000	000	000	%	%
All Employment	757.6	817.7	840.5	838.4	872.0	875.7	4.4	15.6
Private "	624.8	668.1	691.3	687.1	714.7	719.8	4.8	15.2
All Factories	203.4	221.1	229.9	227.4	243.9	246.2	8.3	21.0
<u>In Firms with Ten or more Employees.</u>								
Mines	18.4	19.7	19.8	21.4	21.0	21.1	-1.4	14.7
Retail Trade	47.6	49.9	51.0	51.2	51.7	51.4	0.4	8.0
Wholesale Trade	23.2	24.5	25.5	25.5	25.9	25.9	1.6	11.6
Offices & Commerce	25.9	26.0	27.2	27.7	29.1	29.2	5.4	12.7
Shipping & Rd. Transp't	19.2	19.0	21.8	21.7	21.4	21.9	0.9	14.1
Personal Services	26.2	27.5	28.7	29.6	29.7	29.8	0.7	13.7
Other Industries	20.6	22.1	22.9	20.7	20.4	21.0	1.4	1.9

- Denotes decrease.

MANUFACTURING INDUSTRIES. In the middle week of September, 1940 there were 246,200 persons employed in factories in New South Wales. This was a record number and 18,500 more than in Sept., 1939. That increase, equal to 8.1 per cent., is some measure of the development of the industrial war effort. Employment is expanding steadily, particularly in factories treating industrial metals, where in factories with ten or more employees there are now 14.3 per cent. more persons employed than in the first month of the war. The index of factory employment in Sept., 1940 was 36 per cent. above the average for the peak pre-depression year (1928-29). Comparisons are:-

Employment in Factories in New South Wales.

	Aver., 1928-29	June, 1933.	Sept., 1938	Sept., 1939.	Mar., 1940.	Aug., 1940.	Sept., 1940.
Persons (000)	180.7	139.7	229.9	227.7	241.3	243.9	246.2
Index No.	100	77	127	126	133	135	136

In August-Sept. there were increases in employment in classes of factories concerned in war production, a seasonal increase in food and drink factories, and small decreases in some factories serving the building industry, paper and printing and rubber works. Trends in factory employment, together with percentage increases in the various classes over the twelve months ended September, 1940 are illustrated in the next table.

EMPLOYMENT IN FACTORIES WITH TEN OR MORE EMPLOYEES, N.S.W.

Middle week of -	Cement, Bricks, Glass &c.	Chemicals etc.	Industrial metals	Textile & Cloth- ing.	Food and Drink	Wood- work- ing etc.	Paper and Printing	Rub- ber.
	Number of Persons Employed, - Thousands.							
September, 1935	8.18	5.41	45.71	32.27	22.93	8.54	12.16	2.69
" 1938	11.74	6.77	64.70	38.07	27.89	10.59	14.83	3.79
" 1939	11.75	7.42	62.58	37.29	28.55	9.75	14.73	3.76
March, 1940	11.99	8.55	66.30	39.61	31.05	9.95	15.15	4.13
August, "	12.49	8.62	70.85	40.22	28.95	9.65	14.58	3.74
September "	12.39	8.94	71.54	40.82	29.14	10.07	14.42	3.64
Increase, Sept. '39 to '40 %	5.4	14.4	14.3	9.5	2.1	3.3	-2.1	-3.2

The Trades Union Defence Advisory Panel has proved its value in suggesting a basis for settlement of industrial disputes that have arisen, and although some strikes have occurred, the production of war materials has not been interrupted seriously.

In 42 large factories employment in August, 1940 was 5.8 per cent. greater than in August, 1939, and over that period the weekly salaries and wages bill had risen by 12 per cent. The value of products sold from these factories in August and the eight months ended August, 1940 was 4 per cent and 11.5 per cent., respectively greater than in the corresponding periods of 1939, and in each instance a record for the month and eight months.

/Trends.....

Trends in factory activity in N.S.W. are indicated below:-

MANUFACTURING INDUSTRIES - NEW SOUTH WALES.

	All Factories.		Forty-two Large Factories.					
	Employment		Month of August.			January to August. (Monthly average).		
	September.							
	Number	Index No.	Sales	Employees	Wages paid weekly.	Sales	Employees	Wages paid weekly.
	1928-29 =		£000	000	£000	£000	000	£000
	180,756	100						
1932	125,600	75	2058	15.0	55.4	1997	14.2	52.2
1937	221,100	122	3025	22.8	88.3	2963	22.2	84.8
1938	229,900	127	3141	23.8	96.8	3102	23.4	94.9
1939	227,400 ϕ	126 ϕ	3386	23.0	95.4	3076	23.0	94.9
1940	246,200 ϕ	136 ϕ	3520	24.3	106.9	3430	23.7	101.9

ϕ Subject to revision.

BUILDING PERMITS - METROPOLIS.

Note:- Government buildings are not included in building permits.

(In Sept., the value of permits was below the recent improved average and in Sept. Qr. amounts for all classes except houses and hotels were less than in Sept. Qr., 1939. Permits have decreased much more in the city than in the suburbs. Housebuilding is active, flat building fairly so but industrial and commercial buildings show considerable decrease.

Dwellings proposed in Sept. and Jan.-Sept., numbered 676 and 6,673 in 1940 and 569 and 7,935 in 1939. In Jan.-Sept. in 1940 compared with 1938 numerical decreases were equal to 10.2% for houses and 48.6% for flat dwellings.)

In September, 1940 private building permits granted in Sydney and suburbs were of a value of £840,000 compared with £800,000 in Sept., 1939 and an average of £913,000 in the first eight months of 1940. It is doubtful if decreases in August and September signify reversal of the trend of earlier months. Three monthly moving averages ended in the months shown were:-

1940:-	Jan.	Feb.	Mar.	Apr.	May.	June.	July.	Aug.	Sept.
£000	699	685	775	889	963	993	995	988	948

The total for Sept. Qr., 1940 was 20 and 30 per cent. below those of the corresponding quarter of 1939 and 1938:-

PRIVATE BUILDING PERMITS GRANTED - SYDNEY AND SUBURBS.

	March Qr.	June Qr.	Sept. Qr.	Dec. Qr.	Year ended September.
	£000	£000	£000	£000	£000
1937	1,950	2,986	3,079	3,245	10,413
1938	3,106	3,709	4,053	3,194	14,113
1939	2,856	3,230	3,531	2,603	12,811
1940	2,324	2,979	2,844	-	10,750

In September and September Qr. contracts for Government buildings in Sydney and Suburbs were £90,000 and £318,000 in 1940 compared with £32,000 and £487,000 (including £411,000 for G.P.O. extension) in 1939.

The decrease in private building activity has been most marked in the city where permits in the nine months ended Sept. were little more than one third the value in 1938 and £533,000 or 37 per cent. less than in Jan.-Sept., 1939. With one exception (March, 1940) the city total for Sept, 1940 was the lowest since July, 1934. Amounts for permits in the city and the suburbs compare as follow:-

PART III. (Continued.)

		Month of September,					Nine Months ended September.				
		1936	1937	1938	1939	1940	1936	1937	1938	1939	1940
City	£000	88	181	215	91	63	1,631	1,868	2,555	1,445	912
Suburbs	£000	912	852	895	709	777	6,101	6,147	8,313	8,171	7,236
Total	£000	1000	1033	1110	800	840	7,732	8,015	10,868	9,616	8,148

The appended table illustrates recent trends in the value of permits for various types of building. Features include:-

progressive recovery to near record level for brick houses;
 a decrease for wooden etc. houses after stimulation in June Qr., 1940
 by the Government houses for workers scheme;
 considerable provision of factory premises (though values are about 30 per cent. less than a year ago);
 decreased activity in building shops.

A good deal of money has been put into hotel buildings. Flat proposals declined in Sept. Qr. after increasing considerably in June Qr. 1940. A power house at Balmain (£61,000) was included under "other buildings" in Sept., 1940.

PRIVATE BUILDING PERMITS - SYDNEY AND SUBURBS.

Period	Houses,		Flats (a)	Hotels, Guest Houses.	Shops (b)	Factor- ies (c)	Other Build- ings	Total
	Brick, etc.	Wood, Fibro						
	£000	£000	£000	£000	£000	£000	£000	£000
September, 1939	294	53	150	61	18	98	126	800
" 1940	373	66	168	11	30	86	106	840
Sept. Qr., 1939	1,273	254	906	92	153	381	472	3,531
Dec. " "	987	180	445	155	122	246	468	2,603
Mar. " 1940	1,061	147	395	185	99	218	219	2,324
June " "	1,171	386	668	99	97	239	319	2,979
Sept. " "	1,296	196	530	221	60	264	277	2,844

Including (a) Conversions to flats; (b) shops with dwellings; (c) public garages.

In the first nine months of 1940, compared with the corresponding period of last year the value of permits for houses was almost identical, but for flat buildings there was a marked decrease. All types of commercial buildings showed decreases, and for "other buildings" the total was the lowest for several years. There was a decrease of £1,468,000 (about 15 per cent.) in the value of private building proposals. In the nine months ended Sept., 1940 contracts for Government buildings totalled £636,000 in Sydney and suburbs.

PRIVATE BUILDING PERMITS - SYDNEY AND SUBURBS.

	Nine months ended September.					
	1936	1937	1938	1939	1940	movement 1939 to 1940
	£000	£000	£000	£000	£000	Per cent.
Houses - Brick	2,938	2,724	3,818	3,490	3,528	(+) 1.1
Wood & Fibro	267	393	679	738	729	(-) 1.2
Hotels, Guest Houses etc.	95	231	431	374	506	(+) 35.3
New Flats	1,567	1,443	2,672	2,266	1,541	(-) 32.0
Conversions to Flats	96	122	97	71	52	(-) 26.8
Shops with Dwellings	162	130	216	158	110	(-) 30.4
Shops only	194	496	240	235	146	(-) 37.9
Factories	858	896	659	1,032	695	(-) 32.7
Public Garages	43	134	94	52	26	(-) 50.0
Other Buildings (a)	1,512	1,446	1,942	1,200	815	(-) 32.1
	7,732	8,015	10,848	9,616	8,148	(-) 15.3

(a) Offices, Theatres, Churches, Hospitals, Private Garages, Outbuildings, etc.
 (+) Denotes increase. (-) Denotes decrease.

/DWELLINGS....

DWELLINGS. The number of dwelling units proposed in September was 676 in 1940, 569 in 1939, 1185 in 1938 and 876 in 1937. The number in Sept. 1940 was 20 per cent. below the average of the preceding five months, both houses and flat dwellings showing a decrease. Dwellings proposed in Sept. Qr. numbered 2,244, compared with 2,654 in March Qr., 1940 and 2,843 in Sept. Qr., 1939. There were 62 fewer brick houses, 297 fewer wooden and fibro houses and 252 fewer flat dwellings than in March Qr., 1940. The decrease in house proposals reflects passing of the stimulus given by the initial programme of State assistance to persons in the lower wage groups to build homes.

Jan. Feb. Mar. Apr. May June July Aug. Sept.

Number of net additional dwellings proposed - Metropolis.

1938	688	842	1017	1003	1174	1130	1264	1212	1185
1939	643	811	857	666	869	1246	1223	1051	569
1940	488	562	635	909	963	782	748	820	676

Particulars for the nine months ended September (appended) show that fewer flat dwellings were proposed in 1940 than in any of the preceding four years. Compared with two years earlier flats proposed decreased by 48.6 per cent. and houses by only 10.2 per cent.

DWELLINGS INCLUDED IN PRIVATE BUILDING PERMITS - SYDNEY AND SUBURBS.

Type of Dwelling.	Nine Months ended September.				
	1936	1937	1938	1939	1940
Houses - Brick, etc.	2,869	2,682	3,667	3,305	3,229
- Wood, Fibro, etc.	665	827	1,271	1,332	1,206
<u>Total</u> - Houses	3,534	3,509	4,938	4,637	4,435
Flats - In New Flat Buildings	2,586	2,320	4,311	3,147	2,204
- In Converted Buildings	339	385	329	260	189
With Shops, Hotels, etc.	143	104	185	142	85
<u>Total</u> - Flats, etc.	3,068	2,809	4,825	3,549	2,478
<u>Grand Total</u>	6,602	6,318	9,763	8,186	6,913
Less Demolitions & Conversions	253	338	248	251	240
Net Additional Dwellings	6,349	5,980	9,515	7,935	6,673

Trends in residential building since 1929 are illustrated below. The annual rate in the first nine months of 1940 (8,900) is 25 per cent. below that of 1938, but exceeds that of any year 1930 to 1937:-

NUMBER OF DWELLINGS INCLUDED IN BUILDING PERMITS - SYDNEY AND SUBURBS.

	Calendar Year.					Jan.-Sept.	
	1929	Average 1930-34.	1937	1938	1939	1939	1940.
Individual Houses	7,095	1,205	4,852	6,342	5,847	4,637	4,435
In Flats, with Shops, etc.	3,097	656	3,900	5,821	4,290	3,549	2,478
Total Dwellings (net)∅	9,854	1,839	8,490	11,853	9,822	7,935	6,673

∅ After deducting demolitions and conversions.

MOTOR VEHICLES. Sales of new motor vehicles averaged 181 a week in September, 1940, showing a slight increase in comparison with July or August, 1940 but a drastic decrease compared with September of recent years. Recent trends are as follow:-

/AVERAGE.....

AVERAGE NUMBER OF NEW MOTOR VEHICLES REGISTERED PER WEEK - N.S.W. ^δ

	Cars, Cabs and Omnibuses.						Lorries and Vans.					
	Apr.	May	June	July	Aug.	Sept.	Apr.	May	June	July	Aug.	Sept.
1937	452	523	497	451	414	415	162	187	218	202	210	200
1938	478	487	383	357	340	368	182	207	155	156	147	181
1939	393	417	376	305	322	270	130	151	141	133	146	126
1940	243	176	115	63	88	118	114	103	70	60	53	63

^δ Exclusive of military and Air Force Vehicles.

Restraint in spending in this field reflects increased costs of motoring and reaction to petrol rationing (began on Oct. 1, 1940). It conserves money for investment and reduces the demand for foreign exchange and so assists the national effort. Workers displaced in this industry are of a class likely to provide skilled labour where it is much needed in war industries. The use of charcoal gas has not developed to the extent expected but may show development as a result of announcement that a popular make of cars and trucks can be obtained with a standard producer gas unit.

The total number of registered motor vehicles on Sept. 30, 1940 was 312,125; a decrease compared with a year earlier of 16,950. Cars showed a small further decrease (of 378) during September but after decreasing in each month since Sept., 1939 there was a small increase (of 143) in the number of registered lorries and vans.

NUMBER OF REGISTERED MOTOR VEHICLES IN NEW SOUTH WALES.

	1933	1938	1939		1940			
	July	Sept.	Sept.	Dec.	Mar.	June	Aug.	Sept.
Cars	148.2	206.9	216.5	216.4	214.6	209.5	205.2	204.8
Lorries and Vans	42.2	74.4	77.6	77.5	76.4	75.6	74.6	74.7
All Vehicles	216.5	314.7	329.1	328.6	324.8	318.2	312.3	312.1

COAL. The number of men employed in collieries in N.S.W. in September, 1940 was 17,100 compared with 17,000 in Sept., 1939. There has been an increase of 3,200 over the last four years, but mechanisation of colliery operations has reduced the labour requirements of the mines, and with production fully equal to that of 1927 the number of men employed is 7,400 or 30 per cent. less than the average in that year. Another large Northern mine is to use machines from the New Year and as a result 300 of 600 mine workers employed will be cavilled out.

Mine workers in New South Wales were granted an increase in wages of 7s. a week by variation of award on Oct. 10, 1940. Some industrial disputes have occurred in recent weeks, the most serious causing a stoppage in all Southern collieries from Oct. 2 to Oct. 18, 1940.

The quantity of coal hauled on Government railways in N.S.W. in September, 1940 (about 800,000 tons) was a record for the month. Since coal production was resumed after the March-May stoppage about 3,287,000 tons of coal have been moved by rail compared with 3,038,000 tons in the corresponding four months of 1939. The heavy movement reflects the record level of industrial activity and simultaneous efforts of coal users to replenish depleted stocks.

/COAL.....

COAL MINING INDUSTRY IN NEW SOUTH WALES.

	Men Employed in Collieries (a).		Coal Hauled on Government Railways.		Coal Raised (b).
	August.	September.	September.	Jan.-Sept.	Calendar Year.
	No.	No.	000 tons	000 tons	000 tons.
1928	21,700(c)	21,700(c)	429	4,669	9,448
1937	14,600	14,800	650	5,527	10,052
1938	15,500	14,300	219	5,508	9,571
1939	16,900	17,000	697	6,489	11,196
1940	17,000	17,100	800(d)	5,053(d)	-

(a) Av. No. employed, 1927; 24,500. (b) 1923-27; 11.1 m. tons.

(c) Yearly average.

(d) Approximate.

GAS AND ELECTRICITY. In September, 1940 the amount of gas and electricity consumed in Sydney and suburbs was 34 per cent. above the average in 1929-31 and 24 per cent. above the consumption in Sept., 1929 (the pre-depression peak year). Seasonal variations probably account for the absence in Sept., 1940 of an increase compared with a year ago as occurred in preceding months of this year.

Industrial expansion for production of war materials is a major cause of the increase in the consumption of gas and electricity to a record level in recent months. The growth of population, wider reticulation of services and more extended use of power machinery and appliances in business and in homes are other factors in the rising trend of consumption of the past eight years.

Index of Consumption of Gas and Electricity - Sydney and Suburbs.

	<u>1929</u>	<u>1932</u>	<u>1936</u>	<u>1937</u>	<u>1938</u>	<u>1939</u>	<u>1940</u>
	Index Numbers: Average, 1929-31 = 100.						
Month of September	108	97	113	118	123	134	134
Calendar year	105	96	112	119	123	131	-

WIRELESS LICENSES. Broadcast Listeners' Licenses in force in N.S.W. at Sept. 30, 1940 numbered 479,485. During September there was an increase of 3,724 compared with increases of 3,106 and 1,766 in Sept., 1938 and 1939. The increase in the year ended Sept., 1940 (46,690) was greater than in the corresponding twelve months of any of the preceding five years. Licenses current at various dates and year to year increases were as under:-

BROADCAST LISTENERS' LICENSES IN FORCE IN NEW SOUTH WALES.
(Including Australian Capital Territory).

	<u>1932</u>	<u>1934</u>	<u>1936</u>	<u>1937</u>	<u>1938</u>	<u>1939</u>	<u>1940</u>
	Number of Licenses - Thousands.						
At 30th September	150.1	251.5	330.9	376.8	417.9	432.8	479.5
Increase in year ended Sept.	29.7	62.5	45.8	45.9	41.1	24.9	46.7